

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL CONTRACT 236 (MC2016-191)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-274

**USPS NOTICE OF AMENDMENT TO  
PRIORITY MAIL CONTRACT 236, FILED UNDER SEAL**  
(August 20, 2018)

The Postal Service hereby provides notice that prices and terms under Priority Mail Contract 236, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 236 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Elizabeth A. Reed

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[Elizabeth.A.Reed@usps.gov](mailto:Elizabeth.A.Reed@usps.gov)  
August 20, 2018

**ATTACHMENT A**

**REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 236**

**AMENDMENT #2**  
**OF**  
**SHIPPING SERVICES CONTRACT**  
**BETWEEN**  
**THE UNITED STATES POSTAL SERVICE**  
**AND**



**REGARDING**  
**PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] entered into a Shipping Services Contract (“Contract”), Priority Mail Contract 236/Docket No. CP2016-274 regarding Priority Mail Service on August 22, 2016.

WHEREAS, on April 17, 2017, the Postal Service consented to [REDACTED] assigning its rights and obligations under the Contract to [REDACTED] effective as of May 25, 2017, and the Parties agree that the term “Customer” in the Contract shall refer to [REDACTED]

WHEREAS, the Postal Service and [REDACTED] desire to amend the terms in Sections I.B, I.E, I.G, and I.H, including Tables B-E, and add new Section I.J.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

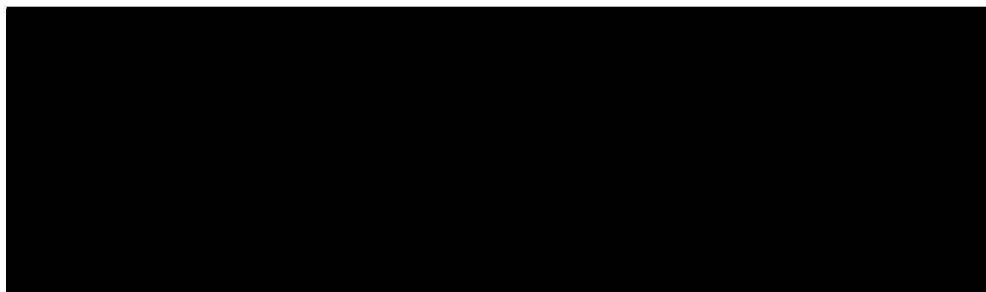
[Replace Sections I.B, I.E, I.G, Table B, replace Tables C, D and E with Tables 1, 2 and 3, and to add new Section I.J, as follows.]

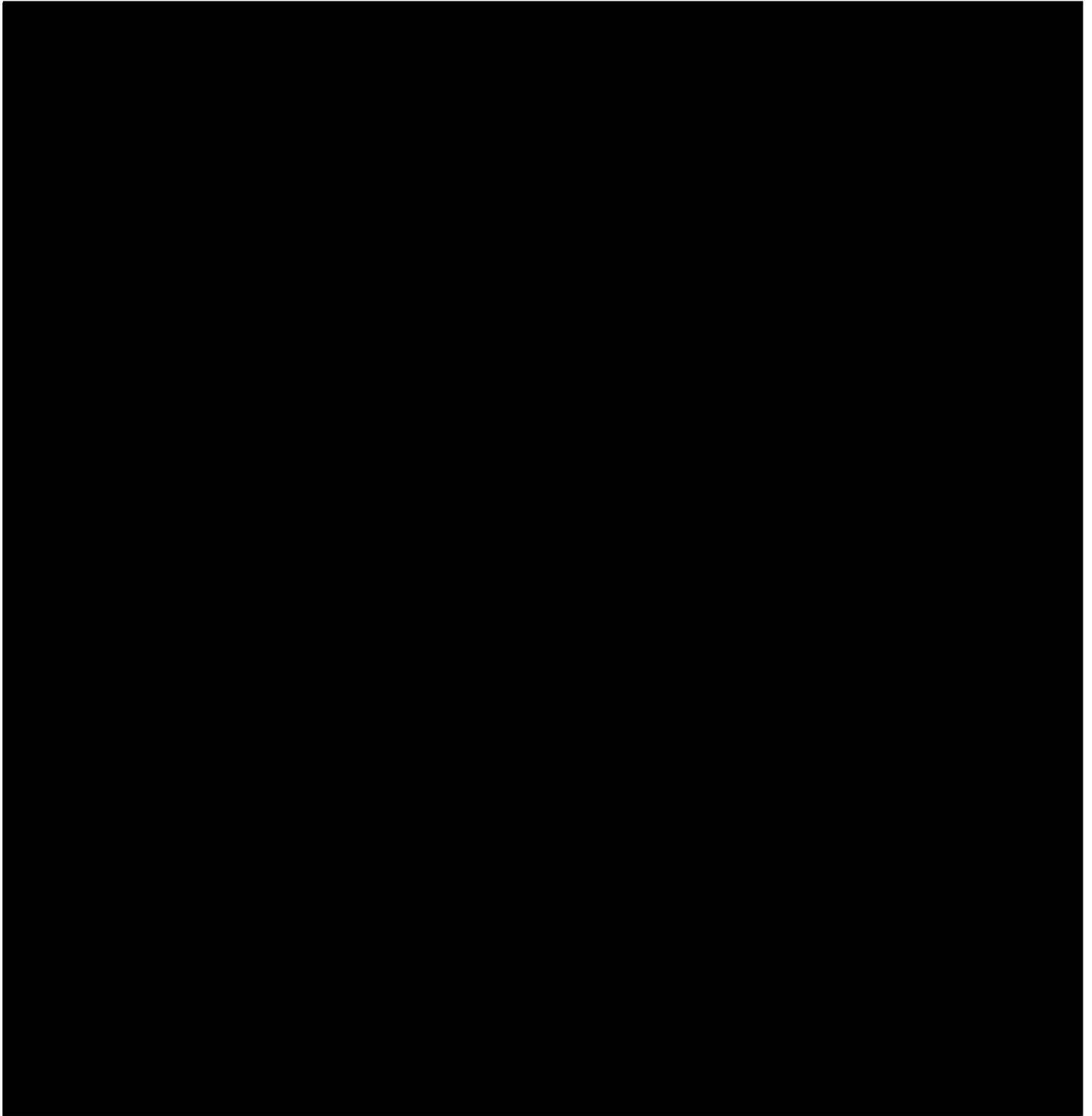
**I. Terms**

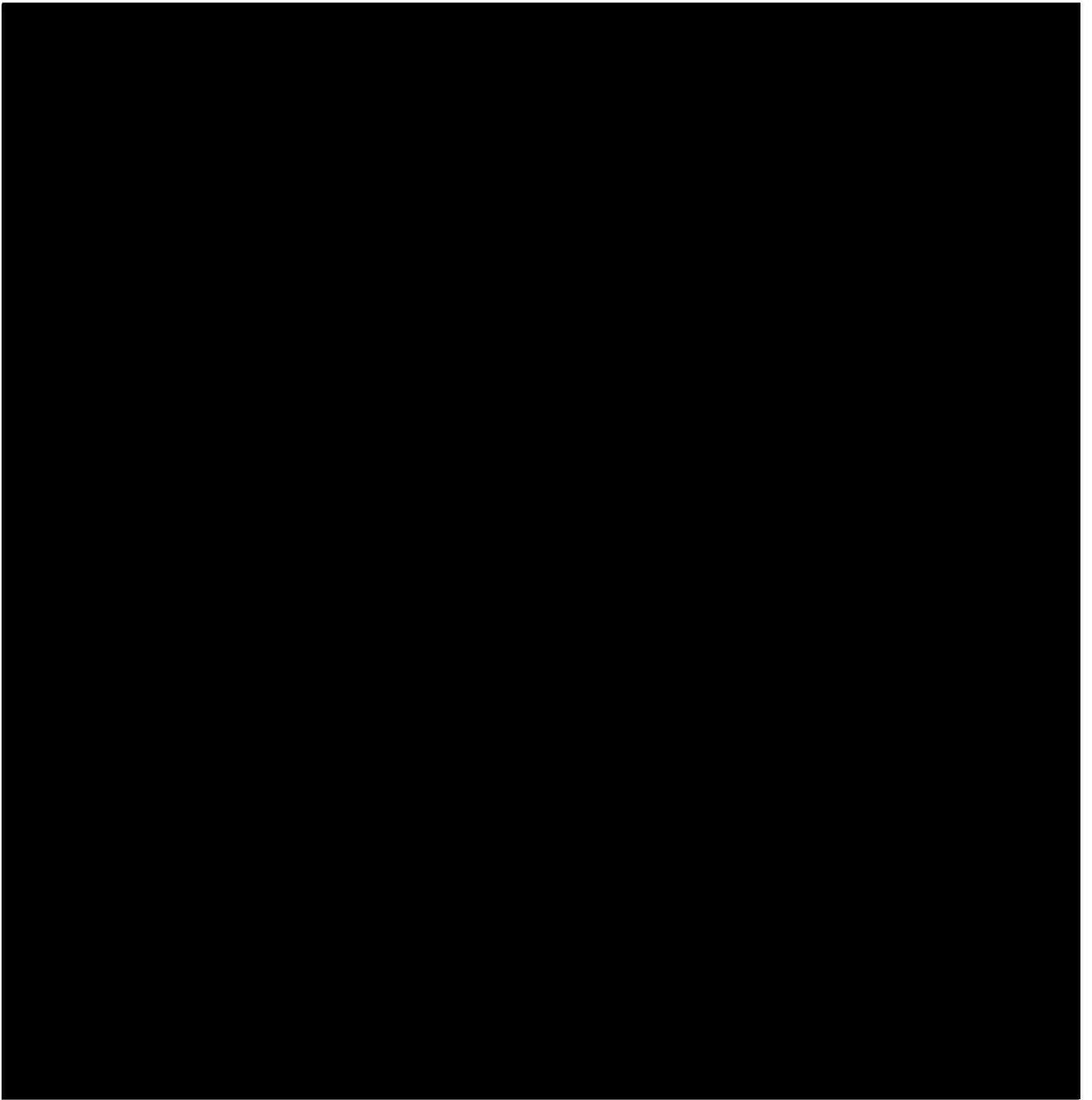
B. This Contract applies to Customer’s inbound and outbound packages (collectively, “Contract Packages”), as follows:

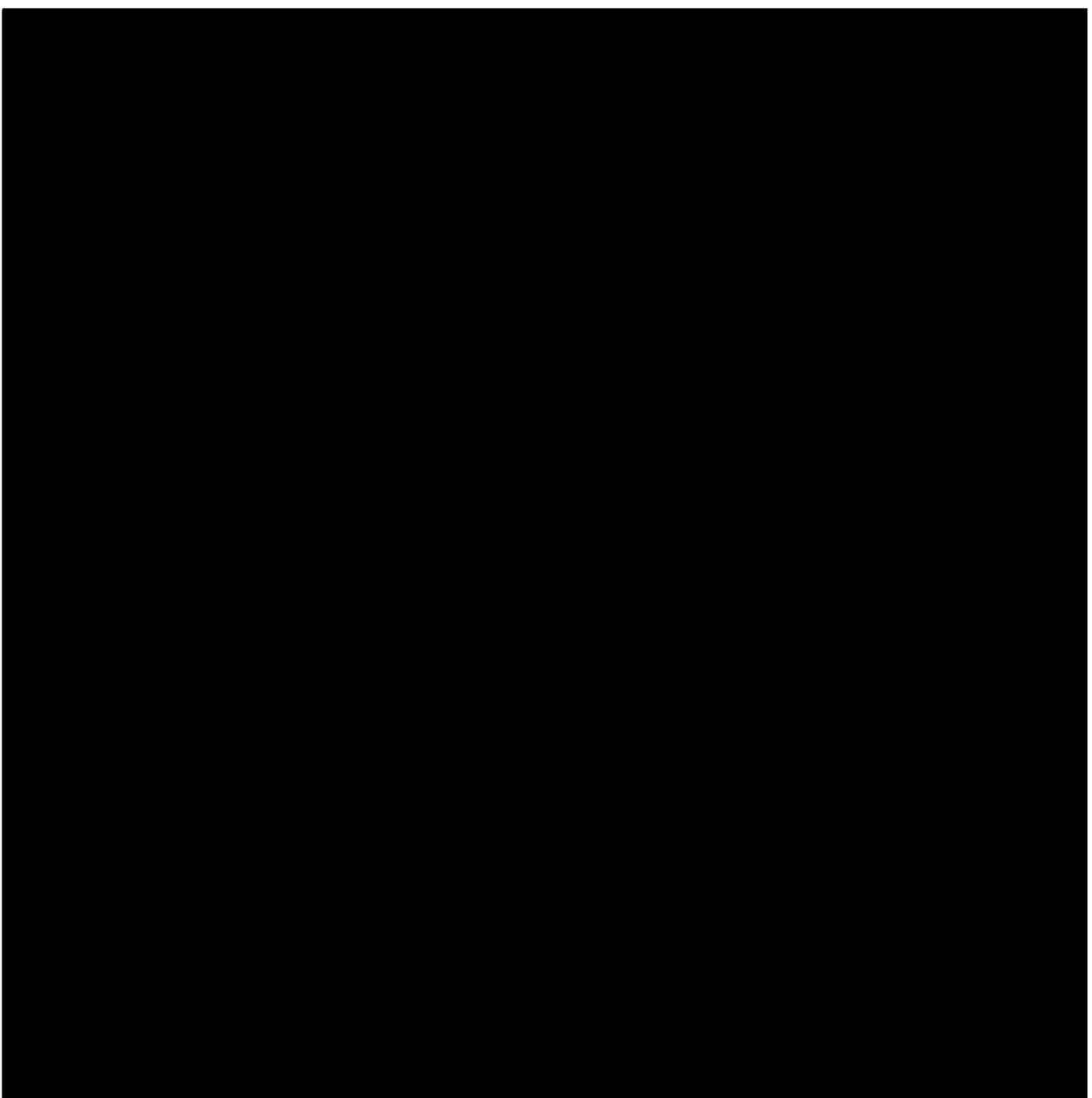
1. Priority Mail weight/zone packages [REDACTED]
2. Priority Mail cubic packages [REDACTED]
3. Priority Mail Flat Rate Envelopes, including Padded and Legal Flat Rate Envelopes; and
4. Priority Mail Small and Medium Flat Rate Boxes.

- E. Volume Commitment. Customer should ship a minimum of [REDACTED] Contract Packages per Contract Quarter.
- G. Contract Package Pricing. Customer shall pay published Priority Mail Commercial Plus prices less the tiered discounts shown in Tables 1 through 3 below, based on Customer's total number of Contract Packages shipped per Contract Quarter, pursuant to Table B below, as follows:
1. On the effective date of this Amendment, Customer shall pay Priority Mail Commercial Plus Prices for its Contract Packages, less the applicable tier discount shown in Tables 1 through 3, based on its total of Contract Packages shipped in the previous Contract Quarter.
  2. Contract Package pricing for subsequent Contract Quarters will be based on quantity of Customer's Contract Packages shipped in the previous Contract Quarter.
  3. The Postal Service will monitor Customer's volume of Contract Packages, and, within fifteen (15) calendar days after the start of each Contract Quarter, will notify Customer of the applicable tier for that Contract Quarter based on Tables 1 through 3 below. Tiered discount changes will be effective within fifteen (15) calendar days after the start of each Contract Quarter. Discounted prices will be calculated by the Postal Service and rounded up to the nearest whole cent.
  4. If the volume in any Contract Quarter, throughout the term of this contract, falls below the minimum quarterly volume set for Tier 1 discounts, the Postal Service at its sole discretion has the right to revert Customer to the most current Priority Mail Commercial Plus prices for the subsequent Contract Quarter.









H. Contract Package Price Adjustments. Throughout the term of this Contract, and any extension period following the Contract term, Customer shall pay the prevailing Priority Mail Commercial Plus prices less the discounts listed in Tables 1 through 3 above, and rounded up to the nearest whole cent.



- J. Record Keeping and Audit. Customer shall respond to the Postal Service's or its designated auditor's quarterly and/or yearly transaction confirmations related to Postal Service transactions; and such other assistance as required by the Postal Service or its designated auditors in connection with Customer's performance under this Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: \_\_\_\_\_

*Dennis R. Nicoski*

Printed Name: Dennis Nicoski

Title: Senior Vice President, Sales and Customer Relations

Date: \_\_\_\_\_

*7/23/18*

**ATTACHMENT B**  
**SIGNED CERTIFICATION**

## **Certification of Prices for Amendment to Priority Mail Contract 236**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 236. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven  
Phelps**

Digitally signed by Steven Phelps  
DN: cn=Steven Phelps, o=Pricing and  
Costing, ou=Pricing,  
email=steven.r.phelps@usps.gov, c=US  
Date: 2018.08.17 16:49:03 -04'00'

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Steven R. Phelps